

DEMONS UNLIMITED FOUNDATION
ANNUAL FINANCIAL REPORT
JUNE 30, 2014

Demons Unlimited Foundation
Annual Financial Report
June 30, 2014

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Johnson, Thomas & Cunningham

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Demons Unlimited Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of the Demons Unlimited Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Demons Unlimited Foundation as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Johnson, Thomas & Cunningham, CPA's

Johnson, Thomas & Cunningham, CPA's

September 19, 2014
Natchitoches, Louisiana

FINANCIAL STATEMENTS

Demons Unlimited Foundation
Statement of Financial Position
For the Year Ended June 30, 2014

	<u>2014</u>
Assets-	
Current Assets:	
Cash & Cash Equivalents	\$ 157,630
Investments	1,535,873
Revenues Receivable	12,400
Other Current Assets	<u>4,329</u>
Total Assets	<u><u>\$1,710,232</u></u>
Liabilities and Net Assets-	
Current Liabilities:	
Accounts Payable and Accruals	\$ 116,496
Current Portion of Long-Term Debt	<u>51,983</u>
Total Current Liabilities	\$ 168,479
Long-Term Debt, Net of Current Portion	<u>108,057</u>
Total Liabilities	<u>\$ 276,536</u>
Net Assets-	
Unrestricted	\$ 53,047
Temporarily Restricted	(132,893)
Permanently Restricted	<u>1,513,542</u>
Total Net Assets	<u>1,433,696</u>
Total Liabilities and Net Assets	<u><u>\$1,710,232</u></u>

The accompanying notes are an integral part of the financial statements.

Demons Unlimited Foundation
Statement of Activities
For the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUES:				
Contributions	\$ 328,862	\$ 415,837	\$ 39,062	\$ 783,761
Fundraising	380,658	402,550	0	783,208
Investment Income	71,529	0	0	71,529
Unrealized gains/(losses) on Investments	153,802	0	0	153,802
Other	66,470	108,788	0	175,258
Net Assets Released from Restrictions:				
Satisfactions of Program Restrictions	<u>847,695</u>	<u>(847,695)</u>	<u>0</u>	<u>0</u>
 Total Public Support and Revenues	 <u>\$1,849,016</u>	 <u>\$ 79,480</u>	 <u>\$ 39,062</u>	 <u>\$1,967,558</u>
EXPENSES:				
Program Services-				
Equipment Purchases for NSU	\$ 62,091	\$ 0	\$ 0	\$ 62,091
Marketing and Promotions	246,575	0	0	246,575
Materials and Supplies	109,224	0	0	109,224
Professional Services	100,677	0	0	100,677
Scholarships	219,823	0	0	219,823
Transfers to NSU	217,991	0	0	217,991
Travel	199,922	0	0	199,922
Other Program Services	399,602	0	0	399,602
Supporting Services-				
Fundraising	183,608	0	0	183,608
Management and General	<u>56,456</u>	<u>0</u>	<u>0</u>	<u>56,456</u>
 Total Expenses	 <u>\$1,795,969</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$1,795,969</u>
 Change in Net Assets	 \$ 53,047	 \$ 79,480	 \$ 39,062	 \$ 171,589
 Net Assets, Beginning of Year	 <u>0</u>	 <u>(212,373)</u>	 <u>1,474,480</u>	 <u>1,262,107</u>
 Net Assets, End of Year	 <u>\$ 53,047</u>	 <u>\$ (132,893)</u>	 <u>\$1,513,542</u>	 <u>\$1,433,696</u>

The accompanying notes are an integral part of the financial statements.

Demons Unlimited Foundation
Statement of Cash Flows
For the Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in Net Assets	\$ 171,589
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
(Increase)/Decrease in Contributions Receivable	(12,400)
(Increase)/Decrease in Other Current Assets	(4,329)
Increase/(Decrease) in Accounts Payable and Accruals	<u>(52,487)</u>
Net Cash Provided by Operating Activities	<u>\$ 102,373</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Investments	<u>\$(121,138)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Loan proceeds from Exchange Bank	\$ 100,100
Principal payments on notes payable	<u>(19,936)</u>
Net Cash Provided by Financing Activities	<u>\$ 80,164</u>
Net Increase (Decrease) in Cash	\$ 61,399
Cash at Beginning of Year	<u>96,231</u>
Cash at End of Year	<u>\$ 157,630</u>

SUPPLEMENTAL DISCLOSURE

Cash payments for interest during the year ended June 30, 2014 was \$3,318.

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

Demons Unlimited Foundation
Notes to Financial Statements
June 30, 2014

1. Organization:

Demons Unlimited Foundation was incorporated under Title 12, Chapter 2, Section 201 et seq. of the laws of the State of Louisiana as a non-profit organization on October 17, 2013. The organization began operations on July 1, 2013, as the successor to the Northwestern State University Athletic Association, which previously operated under the auspices of the Northwestern State University Foundation. The primary objectives and purposes of Demons Unlimited Foundation are to promote the educational, athletic and cultural welfare of Northwestern State University and its Athletic Department, its athletic programs and teams that compete in intercollegiate athletic games or competitions, and to develop, expand and improve the University's facilities and resources so as to provide broader educational and athletic advantages and opportunities for its students, athletes, and the general public, to solicit and accept funds of all kinds for the purpose of providing scholarships and activities in research or other benefits for the University's athletic programs, and to exercise all powers and authority for the accomplishments of the objectives and purpose of the corporation. Demons Unlimited Foundation's Board of Directors is comprised of thirty-three volunteer members.

2. Summary of Significant Accounting Policies:

The accounting and reporting policies of Demons Unlimited Foundation, conform to generally accepted accounting principles as applicable to non-profit organizations, and are applied on a consistent basis between periods.

The following is a summary of certain significant accounting policies and practices:

- A. Financial Statement Presentation - Demons Unlimited Foundation has adopted FASB Accounting Standard Codification 958-205 "Not-for-Profit Organizations." Under FASB ASC 958-205, Demons Unlimited Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. All assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restriction when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions.
- B. Basis of Accounting - Demons Unlimited Foundation uses the accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when they are incurred.

Demons Unlimited Foundation
Notes to Financial Statements
June 30, 2014

- C. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- D. Endowment Funds – Expenditures from endowed funds are based on donor or other legally imposed restrictions being satisfied. These restrictions are reviewed by management and legal counsel, as necessary.
- E. Income Taxes - Demons Unlimited Foundation is a not-for-profit organization that has applied for exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as “other than private foundation”. The Foundation’s Form 990, *Return of Organization Exempt from Income Tax*, for the year ending 2014 will be subject to examination by the IRS, generally for three years after it is filed.
- F. Promises to Give – Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions are made or as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. Temporarily and permanently restricted net assets are reclassified to unrestricted net assets in the fiscal year all restrictions are satisfied.
- G. Investments – Demons Unlimited Foundation has the same investment policy for both endowed and non-endowed funds. The investment objective of the policy is a long-term real total return of at least five percent, net of fees and expenses. The investments are invested in a wide range of asset classes including equities, fixed income, alternative investments, and cash. All investments are pooled to maximize investment efficiency with separate general ledger accounts being maintained for each Endowment and Non-Endowment account. The asset allocations are reviewed annually by the Investment Committee and discussed with the Investment Managers.

Investments are reported at fair value, which is determined using quoted market price of identical or similar securities. Donated investments are recorded at fair market value at the date of receipt, which is then treated as cost.

Realized gains and losses on dispositions of investments are based on the net proceeds and the adjusted cost basis of the securities sold, using the specific identification method. Realized and unrealized gains and losses are recognized in the Foundation’s current operations.

Demons Unlimited Foundation
Notes to Financial Statements
June 30, 2014

- H. Cash and Equivalents – Cash and cash equivalents are considered to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.
- I. Concentration of Credit Risk – At various times during the year, cash on deposit with banking institutions may exceed the amounts insured by the Federal Deposit Insurance Corporation (FDIC). Management monitors the financial condition of these institutions on a regular basis, along with their cash balances to minimize this potential risk.

3. Cash and Cash Equivalents:

At June 30, 2014, Demons Unlimited Foundation had cash and cash equivalents totaling \$157,630 as follows:

Interest bearing demand deposit accounts	\$130,117
Money market accounts	<u>27,513</u>
Total	<u>\$157,630</u>

Bank balances at June 30, 2014 totaled \$211,803, all of which are secured from risk by federal deposit insurance. Money market mutual funds included in cash equivalents totaled \$27,513 at June 30, 2014. These amounts were uninsured.

4. Other Assets:

At June 30, 2014, Demons Unlimited Foundation had other assets consisting of the following:

Revenues Receivable	\$12,400
Cash Advances	<u>4,329</u>
Total	<u>\$16,729</u>

5. Investments:

At June 30, 2014, the Demons Unlimited Foundation had investments summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Mutual Funds	\$ 1,508,517	\$ 27,356	\$ -	\$ 1,535,873

Demons Unlimited Foundation
Notes to Financial Statements
June 30, 2014

Investment earnings included in the statement of activities were comprised of the following for the year ended June 30, 2014:

Investment Income	\$ 71,529
Unrealized gains/(losses) on investments	<u>153,802</u>
Total	<u><u>\$ 225,331</u></u>

Total investment fees and expenses incurred on investments for the year ended June 30, 2014, were \$10,945 and are included in the Statement of Activities under other program services expenses.

6. Fair Value of Financial Instruments:

The Foundation has adopted FASB Accounting Standards Codification Topic 820, "Fair Value Measurements". Topic 820 requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata include:

Level 1 valuations, where the valuation is based on quoted market prices for identical assets of liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume).

Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

Fair values of assets and liabilities measured on a recurring basis at June 30, 2014 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Mutual Funds	\$1,535,873	-	-	\$1,535,873

Demons Unlimited Foundation
Notes to Financial Statements
June 30, 2014

7. Accounts Payable and Other Accruals:

At June 30, 2014, the Foundation had accounts payable and other accrued liabilities as follows:

Accounts Payable to Vendors	\$109,295
Tickets Due to NSU	5,500
Credit Card Payable	691
Accrued Interest Payable	<u>1,010</u>
 Total	 <u>\$116,496</u>

8. Long-Term Debt:

The following is a summary of debt transactions for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Amount Due in one Year
Note Payable - City Bank	\$79,876	\$ 0	\$(19,936)	\$ 59,940	\$19,937
Note Payable - Exchange Bank	<u>0</u>	<u>100,100</u>	<u>0</u>	<u>100,100</u>	<u>32,046</u>
Total	<u>\$79,876</u>	<u>\$100,100</u>	<u>\$(19,936)</u>	<u>\$160,040</u>	<u>\$51,983</u>

The terms of the individual debt issues of the Foundation are as follows:

	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding
Note Payable - City Bank	4.00%	February 16, 2016	\$ 99,813	\$ 59,940
Note Payable - Exchange Bank	4.00%	July 15, 2017	<u>100,100</u>	<u>100,100</u>
Total			<u>\$199,813</u>	<u>\$160,040</u>

The annual requirements to amortize all debt outstanding as of June 30, 2014, including interest payments, are as follows:

Year Ending June 30	Principal	Interest	Total
2015	\$ 51,983	\$ 5,818	\$ 57,801
2016	73,355	3,715	77,070
2017	<u>34,702</u>	<u>756</u>	<u>35,458</u>
Total	<u>\$160,040</u>	<u>\$10,289</u>	<u>\$170,329</u>

Demons Unlimited Foundation
Notes to Financial Statements
June 30, 2014

Total interest expense incurred on long-term debt for the year ended June 30, 2014 was \$3,318 and was included on the Statement of Activities under Other Program Services expenses.

9. Restricted Net Assets:

At June 30, 2014, the Foundation had net assets of \$1,513,542 permanently restricted for scholarships.

During the year ended June 30, 2014, temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Equipment purchases for NSU	\$ 61,507
Marketing and promotions	58,385
Materials and supplies	42,762
Professional services	21,101
Scholarships	52,173
Transfers to NSU	62,207
Travel	137,961
Other program services expenses	298,717
Fundraising	112,832
Management and general	<u>50</u>
Total Restrictions Released	<u>\$847,695</u>

At June 30, 2014, the Foundation had temporarily restricted net assets of \$(132,893).

10. Endowed Net Assets:

At June 30, 2014, the Foundation's endowed net assets are composed as follows:

	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Balance at June 30, 2013	\$ (212,373)	\$ 1,474,480	\$ 1,262,107
Contributions	415,837	39,062	454,899
Fundraising	402,550	-	402,550
Unrealized gains on investments	-	-	-
Other income/(expense)	108,788	-	108,788
Released from restriction	(847,695)	-	(847,695)
Balance at June 30, 2014	<u>\$ (132,893)</u>	<u>\$ 1,513,542</u>	<u>\$ 1,380,649</u>

Demons Unlimited Foundation
Notes to Financial Statements
June 30, 2014

11. Donated Services:

During the year ended June 30, 2014, Demons Unlimited Foundation received \$40,000 in donated services from Guidroz Physical Therapy, which satisfied the criteria for recognition under SFAS No. 116. This amount is recognized as revenue in the contributions portion of the statement of activities.

12. Lease Commitments:

Demons Unlimited Foundation was not obligated under any capital or operating lease commitments at June 30, 2014.

13. Compensation Paid to Board Members:

The members of the Board of Directors serve as volunteers and receive no compensation.

14. Litigation:

There was no outstanding litigation against the Demons Unlimited Foundation at June 30, 2014.

15. Transactions with Northwestern State University

During the year ended June 30, 2014, Northwestern State University provided certain personnel services, travel expenses, and usage of office space and equipment to the Demons Unlimited Foundation. The estimated value of these transactions for the year ended June 30, 2014 was \$72,269. In return, the Foundation solicits and accepts funds for the benefit of the University.

16. Subsequent Events:

Management has evaluated events through September 19, 2014, the date which the financial statements were available for issue. There were no items to be reported.

SUPPLEMENTAL INFORMATION

Johnson, Thomas & Cunningham

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

To the Board of Directors
Demons Unlimited Foundation
Athletic Fieldhouse
468 Caspari Street
Natchitoches, LA 71497

We have performed the procedures enumerated below, which were agreed to by the chief executive of the Demons Unlimited Foundation, solely to assist you in evaluating whether the accompanying Statement of Revenue and Expenses (Statement) of Demons Unlimited Foundation (Foundation) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended June 30, 2014. Foundation's management is responsible for the Statement and its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of the Foundation. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses

Revenues

1. Contributions for the year ended June 30, 2014 were compared to prior period amounts with no significant variations noted. All cash contributions exceeding \$10,000 were examined. Supporting documentation for each of these contributions was obtained and reviewed. Total contributions were compared to the amounts recorded in the general ledger. We identified no contributions by any agency or group of individuals (e.g., contributions by corporate sponsors) that constituted 10 percent or more of all contributions received during the reporting period.

We found no exceptions as a result of these procedures.

2. Demons Unlimited Foundation's participation in revenues from NCAA/Conference distributions during the year ended June 30, 2014 were reviewed. The related revenues of \$98,610 were compared and agreed to the general ledger with no material variations noted. Totals were recalculated.

We found no exceptions as a result of these procedures.

3. We randomly selected a sample of one operating revenue receipt from Program Sales, Concessions, Novelty Sales and Parking and agreed to adequate supporting documentation. We recalculated the totals.

We found no exceptions as a result of these procedures.

4. Agreements related to the Foundation's participation in revenues from royalties, advertisements and sponsorships during the year ended June 30, 2014 were reviewed. Related revenues of \$374,058 were compared and agreed to the general ledger and totals were recalculated. We compared the revenues for this category to the prior year and identified a 35 percent decrease from the prior year. This revenue category represented 19 percent of the total revenues. We obtained and documented the Foundation's explanations for this variance.

We found no exceptions as a result of these procedures.

5. Sports camp revenues for the year ended June 30, 2014 were compared and agreed to supporting schedules provided by the Demons Unlimited Foundation. Related revenues of \$72,961 were compared to prior period amounts and totals were recalculated.

We found no exceptions as a result of these procedures.

6. Endowment agreements were reviewed. The classification and use of endowment and investment income of \$255,033 during the year ended June 30, 2014 was compared and agreed to the uses of income defined within the related endowment agreements. Totals were recalculated.

We found no exceptions as a result of these procedures.

7. Other revenues for the year ended June 30, 2014 were compared and agreed to supporting schedules provided by the Demons Unlimited Foundation. Related revenues of \$11,722 were compared to prior period amounts and totals were recalculated.

We found no exceptions as a result of these procedures.

Expenses

1. The individual student-account details of six students from the listing of student aid recipients for the year ended June 30, 2014 were compared and agreed to the amounts related in the aid award letters. Totals were recalculated.

We found no exceptions as a result of these procedures.

2. Guarantee expenses of \$21,513 for the year ended June 30, 2014 were compared and agreed to the supporting schedule provided by the Foundation. Totals were recalculated.

We found no exceptions as a result of these procedures.

3. A listing of coaches receiving benefits from the Foundation during the year ended June 30, 2014 was reviewed. Coaches' contracts from football, men's basketball, and women's basketball were selected, compared and agreed to the benefits paid by the Foundation. The Foundation awards supplemental compensation to coaches for championships earned, post-season participation, vehicle stipends, housing stipends, and other salary supplements in accordance with the plan approved by its board of directors. These payments are made to the coaches through the Northwestern State University payroll system and reimbursed to the University by the Demons Unlimited Foundation. Coaching salaries, benefits and bonuses of \$246,008 for the year ended June 30, 2014 were compared and agreed to the general ledger. Totals were recalculated.

We found no exceptions as a result of these procedures.

4. A listing of support staff receiving benefits from the Foundation during the year ended June 30, 2014 was reviewed. Two employees were selected and the related benefits paid by the Demons Unlimited Foundation were agreed to the general ledger. Totals were recalculated.

We found no exceptions as a result of these procedures.

5. The Demons Unlimited Foundation's recruiting expense policies for the year ended June 30, 2014 were reviewed, compared and agreed to existing Northwestern State University and NCAA-related policies.

We found no exceptions as a result of these procedures.

6. The Demons Unlimited Foundation's team travel policies for the year ended June 30, 2014 were reviewed, compared and agreed to existing Northwestern State University and NCAA-related policies.

We found no exceptions as a result of these procedures.

7. Equipment, uniform and supplies expense of \$178,003 for the year ended June 30, 2014 was compared and agreed to the supporting schedule provided by the Demons Unlimited Foundation. A sample of four operating expenses from the supporting schedule were traced to the check register and bank statements. Total equipment, uniform and supplies expense was compared to prior period amounts with no significant variations noted.

We found no exceptions as a result of these procedures.

8. Game expenses of \$26,937 for the year ended June 30, 2014 were compared and agreed to the supporting schedule provided by the Foundation. A sample of two operating expenses from the supporting schedule were traced to the check register and bank statements. Total game expenses were compared to prior period amounts with no significant variations noted.

We found no exceptions as a result of these procedures.

9. Fund raising, marketing and promotion expense of \$427,808 for the year ended June 30, 2014 was compared and agreed to the supporting schedule provided by the Foundation. A sample of two operating expenses from the supporting schedule were traced to the check register and bank statements. Totals were recalculated. Total fund raising, marketing and promotion expense was compared to prior period amounts with a 36 percent increase noted.

We obtained and documented the Foundation's explanation for this variance.

10. Sports camp expense of \$54,752 for the year ended June 30, 2014 was compared and agreed to the supporting schedule provided by the Demons Unlimited Foundation. A sample of two operating expenses from the supporting schedule were traced to the check register and bank statements. Totals were recalculated.

We found no exceptions as a result of these procedures.

11. Direct facilities, maintenance and rental expense of \$57,957 for the year ended June 30, 2014 was compared and agreed to the supporting schedule provided by the Foundation. A sample of three operating expenses from the supporting schedule were traced to the check register and bank statements. Total direct facilities, maintenance and rental expense was compared to prior period amounts with no significant variations noted. Totals were recalculated.

We found no exceptions as a result of these procedures.

12. Medical expenses and medical insurance expense of \$60,123 for the year ended June 30, 2014 was compared and agreed to the supporting schedule provided by the Foundation. A sample of two operating expenses from the supporting schedule were traced to the check register and bank statements. Total medical expenses and medical insurance expense was compared to prior period amounts with no significant variations noted. Totals were recalculated.

We found no exceptions as a result of these procedures.

13. Memberships and dues expense of \$4,644 for the year ended June 30, 2014 was compared and agreed to the supporting schedule provided by the Foundation. A sample of one operating expense from the supporting schedule was traced to the check register and bank statements. Total membership and dues expense was compared to the general ledger with no exception noted. Totals were recalculated.

We found no exceptions as a result of these procedures.

14. Other operating expense of \$264,692 for the year ended June 30, 2014 was compared and agreed to the supporting schedule provided by the Foundation. A sample of four operating expenses from the supporting schedule were traced to the check register and bank statements. Total other operating expense was compared to prior period amounts with no significant variations noted. Totals were recalculated.

We found no exceptions as a result of these procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying statement of revenue and expenses of Demons Unlimited Foundation. According, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to be and should not be used by anyone other than these specified parties.

Johnson, Thomas + Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

Natchitoches, Louisiana

September 19, 2014

DEMONS UNLIMITED FOUNDATION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

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	Football	Men's Basketball	Women's Basketball	Other Sports	Non- program Specific	Total
REVENUES:						
<u>Operating Revenues</u>						
Ticket Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Student Fees	0	0	0	0	0	0
Guarantees	0	0	0	0	0	0
Contributions	174,803	119,958	31,444	291,487	549,456	1,167,148
Direct Institutional Support	0	0	0	0	0	0
Indirect Facilities and Admin Support	0	0	0	0	0	0
NCAA/Conference Distributions	21,200	3,445	3,710	37,630	32,625	98,610
Program Sales, Concessions, Novelty Sales and Parking	1,717	373	355	15,583	0	18,028
Royalties, Advertisements and Sponsorships	1,358	2,500	2,500	8,275	359,424	374,057
Sports Camp Revenues	0	61,744	930	10,287	0	72,961
Endowment and Investment Income	0	0	0	0	225,033	225,033
Other	<u>285</u>	<u>7,244</u>	<u>1,501</u>	<u>240</u>	<u>2,451</u>	<u>11,721</u>
Total Operating Revenues	<u>\$ 199,363</u>	<u>\$ 195,264</u>	<u>\$ 40,440</u>	<u>\$ 363,502</u>	<u>\$ 1,168,989</u>	<u>\$ 1,967,558</u>
EXPENSES:						
<u>Operating Expenses</u>						
Athletics Student Aid	\$ 64,120	\$ 9,984	\$ 12,055	\$ 131,914	\$ 1,750	\$ 219,823
Guarantees	0	480	1,440	19,593	0	21,513
Coaching Salaries, Benefits and Bonuses paid by the University and Related Entities	40,351	96,941	32,981	75,736	0	246,009
Support Staff/Administrative Salaries, Benefits and Bonuses paid by the University and Related Entities	13,350	0	0	1,000	38,610	52,960
Recruiting	37,947	19,886	1,765	36,281	11,795	107,674
Team Travel	8,618	765	5,432	57,614	0	72,429
Equipment, Uniform and Supplies	18,568	7,618	8,998	127,391	15,428	178,003
Game Expenses	15,564	1,213	1,183	8,978	0	26,938
Fund Raising, Marketing and Promotion	112,960	47,054	22,441	37,178	208,176	427,809
Sports Camp Expenses	0	50,055	0	5,344	0	55,399
Direct Facilities, Maintenance and Rental	8,492	3,932	7,130	36,643	1,760	57,957
Spirit Groups	0	0	0	0	0	0
Indirect Facilities and Administrative Support	0	0	0	0	0	0
Medical Expenses and Medical Insurance	18,430	14	205	1,124	40,350	60,123
Memberships and Dues	100	0	0	1,310	3,234	4,644
Other Operating Expenses	<u>20,636</u>	<u>24,593</u>	<u>8,412</u>	<u>25,418</u>	<u>185,629</u>	<u>264,688</u>
Total Operating Expenses	<u>\$ 359,136</u>	<u>\$ 262,535</u>	<u>\$ 102,042</u>	<u>\$ 565,524</u>	<u>\$ 506,732</u>	<u>\$ 1,795,969</u>
EXCESS(DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>\$ (159,773)</u>	<u>\$ (67,271)</u>	<u>\$ (61,602)</u>	<u>\$ (202,022)</u>	<u>\$ 662,257</u>	<u>\$ 171,589</u>